IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of: **Phillips et al.**	)	Atty Docket No.: **78384 18-32 US DIV1**
Serial No. **10/706,142**	)	Art Unit: **1732**
Filing Date: **November 12, 2003**	)	Examiner: **Mathieu D. Vargot**
Confirmation No. **6069**	)	
For: **Methods for Forming Security Articles Having Diffractive Surfaces and Color Shifting Backgrounds**	)	

EFILED
Commissioner for Patents

SECOND RESPONSE UNDER 37 C.F.R. § 1.116

Dear Sir:

In response to the Final Office Action mailed July 10, 2007, the undersigned filed a Rule 1.116 Amendment on September 10, 2007. In response to that Amendment under 37 C.F.R. § 1.116, the Examiner issued an Advisory Action dated September 21, 2007. The Examiner addressed the response filed under 37 C.F.R. § 1.116 but found that it did not place the application in condition for allowance, stating:

> "While applicant's comments are noted and appreciated, they are not persuasive. Again, it is reiterated that the Office has not the capability of testing different products and determining--with absolute assurance--what, if any, differences there are. Hence, applicant's comments stating that any difference would be

> unexpected based on comments made by the examiner amount to no more than attorney argument that is not persuasive [*sic*]. Indeed the differences between the instant products--made by placing the color shifting film and the hologram on opposite sides of the substrate--and that of the prior art--where they are on the same side--are simply not distinct enough to warrant patentability on the basis of the declaration and exhibits received therewith for reasons already noted in the final rejection. The exhibits were very carefully looked at and found to be not sufficiently different--certainly not different in kind, but at most, degree--to patentably distinguish over the prior art."

Considering the Examiner's rationale, one should note that whether or not the Patent and Trademark Office has the capability of testing different products and determining with absolute assurance, what if any, the differences are is irrelevant to the Examiner's rejection. The Examiner has the obligation to establish a prima facie case of either anticipation or obviousness.

The Examiner's rejection, in the Office Action mailed January 17, 2007, was predicated upon the fact that there would be no difference between Uyama et al. where the interference pattern and the color shift coding were placed on the same side of the substrate and the claimed invention in which the interference pattern and the color shifting coding are separated by the substrate.

Specifically, the Examiner stated in the Office Action mailed January 17, 2007, the following:

> "First of all, it is respectfully submitted that the placement of the color shifting layer with respect to the interference pattern would have no bearing on the appearance of the color shift property of the security article. Concerning this, the examiner's rationale given in the Final Rejection of case serial number 10/705,610, paragraphs 7 and 8, is hereby made of record. To wit, the examiner stated that it made no difference in Uyama et al whether the light is transmitted or reflected through the color shift coating, since the reference teaches that the color shift will be observed for either - see column 6, lines 1-11 and 25-34 of Uyama et al. Since the substrate is transparent, it would not affect the color shifting property of the color shifting layer." (underlining added)

The Examiner also stated that:

> "Applicant should note, as pointed out in the aforementioned final, that the light path for the instant application and that for Uyama et al. are as follows:
>
> Instant: Incident light-Interference pattern-Substrate-Color shift coating
>
> Uyama et al: Incident light-Substrate-Interference pattern-Color shift coating
>
> Unless the substrate has some optical property in either the instant or in Uyama et al.-and nothing is disclosed of such property, as the substrates are said to be transparent-the incident light clearly undergoes the same

> path and would therefore be subjected to the same effects due to the optical effects of the layers."

Applicants then went to the trouble of preparing examples which would demonstrate the difference that resulted from the use of the claimed invention from that provided by Uyama et al.

On or about May 1, 2007, Applicants filed a response to the Office Action including remarks and an Appendix including samples which compared the coating and hologram on opposites of the substrate as claimed in the claimed invention with the coating and hologram located on the same side of the substrate. There were noticeable differences. The sworn declaration of the affiant showed that there were differences between the claimed invention and the technology described in Uyama et al.

In the Advisory Action, the Examiner acknowledged the differences as described in the declarations. However, the Examiner concluded that the differences "are simply not distinct enough to warrant patentability."

The Examiner has an obligation to establish a prima facie case of anticipation or obviousness. Once the Examiner acknowledges differences, between the claimed invention and the prior art, the burden is upon the Examiner to demonstrate that those differences are obvious. This the Examiner has not done.

All that the Examiner has provided is a statement of conclusions that "the exhibits were … found to be not sufficiently

different--certainly not different in kind, but at most, degree--to patentably distinguish over the prior art."

This conclusion is not supported by any factual analysis and certainly supported by the prior art.

Thus, Applicants respectfully request that the Examiner reconsider the rejection and allow the claims.

Please charge any shortage in fees due in connection with the filing of this paper, including Extension of Time fees, to Deposit Account No. 50-1465 and please credit any excess fees to such deposit account.

Respectfully submitted,

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October 10, 2007
Date